



SHERYL L. SPILLER
Director

County of Los Angeles
DEPARTMENT OF PUBLIC SOCIAL SERVICES

12860 CROSSROADS PARKWAY SOUTH • CITY OF INDUSTRY, CALIFORNIA 91746
Tel (562) 908-8400 • Fax (562) 695-4801



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July 24, 2013

TO: Each Supervisor

FROM: Sheryl L. Spiller, Director

**SUBJECT: MOTION BY SUPERVISOR KNABE ON CALWORKS FUNDING USED
FOR SUBSIDIZED EMPLOYMENT (Board Motion #5, JUNE 24, 2013)**

On June 24, 2013, during the Fiscal Year (FY) 2013-14 Budget Deliberations, a motion was put forth by Supervisor Don Knabe which was subsequently passed by the Board, for the Director of Public Social Services to report back in 30 days with a plan to take full advantage of the funding available through the CalWORKs program for subsidized employment, including how the program will be implemented to employ as many individuals as possible. This is in response to the motion and provides the Department's plan to fully utilize the increased funding for subsidized employment.

Based on the adopted State Budget for FY 2013-14, it is estimated that the Department may receive an additional \$8.4 million to implement and expand its subsidized employment program for CalWORKs adults. In addition, there is an existing \$6.0 million available in the subsidized employment program budget for FY 2013-14, thereby bringing the total available funding to \$14.4 million with the estimated additional funds.

In order to fully maximize the subsidized employment funds which will provide employment opportunities to CalWORKs participants, we are targeting implementation as soon as the State releases the new requirements, as directed by Assembly Bill 74. The State's new requirements could be released as soon as November 2013.

With the estimated additional State funding, the Department will double the existing 940 subsidized employment slots that are covered under our base budget. This will increase our FY 2013-14 slots from 940 to 1,880 slots. In addition, the South Bay Workforce Investment Board (SBWIB), our current contractor, has verified its employer capacity for the expanded program and its ability to recruit additional employers. The expanded subsidized employment program will include our current model consisting of two program designs, Paid Work Experience (PWE) and On-the-Job-Training (OJT).

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Participants identified for the PWE model are placed in government or non-profit agencies with the SBWIB as the employer of record. PWE participants earn \$8.00 per hour and work up to 35 hours per week for a period of six months. The County subsidizes 100 percent of the wages.

Participants identified for the OJT model are placed in private-for-profit companies. OJT participants may work up to six months, 40 hours per week and earn at least \$8.00 per hour. However, the employer may opt to increase the salary. For the first two months, SBWIB is the employer of record and the County subsidizes 100 percent of the wages. Thereafter, the OJT employer becomes the employer of record and pays the employee wages, Workers' Compensation and payroll taxes, and is reimbursed for a portion of the wages.

We will be seeking Board-delegated authority to amend our existing contract with the SBWIB to increase the maximum contractual funds for our subsidized employment program to accommodate the additional State funding.

If you have any questions, please contact me at (562) 908-8383, or your staff may contact Jose R. Perez, Chief In-Charge, at (562) 908-8633.

SLS:sd

c: Chief Executive Officer
County Counsel
Executive Officer, Board of Supervisors
Deputy Chief Executive Officer